

# Act on the International Carriage of Goods by Sea

(Act No. 172 of June 13, 1957)

## (Scope of Application)

Article 1 The provisions of this Act (excluding Article 16) apply to the carriage of goods by ships with a port of loading or port of discharge that is outside Japan, and the provisions of Article 16 apply to the liability of a carrier and its employees to compensate for damage in tort.

## (Definitions)

Article 2 (1) The term "ship" as used in this Act means a ship provided for in Article 684 of the Commercial Code (Act No. 48 of 1899).

(2) The term "carrier" as used in this Act means a person that undertakes the carriage referred to in the preceding Article.

(3) The term "shipper" as used in this Act means a person that entrusts another person with the carriage referred to in the preceding Article.

(4) One "unit of account" as used in this Act means an amount of money equivalent to one special drawing right, based on the special drawing rights prescribed in Article 3, paragraph (1) of the Articles of Agreement of the International Monetary Fund.

## (Duty of Care for Goods)

Article 3 (1) A carrier is liable for damages for loss of, damage to, or delay in delivery of the goods which resulted from the failure of the carrier or a servant of the carrier to exercise care in receiving, loading, stowing, carrying, storing, discharging, or delivering goods.

(2) The provisions of the preceding paragraph do not apply to damage arising from an act performed by a master, crew member, pilot, or other servant of a carrier in navigating or handling a ship, or from a fire on a ship (other than a fire that the carrier intended to occur or a fire occurring due to the carrier's negligence).

Article 4 (1) A carrier may not be released from the liability referred to in the preceding Article unless it proves that it has exercised the care referred to in that Article.

(2) Notwithstanding the provisions of the preceding paragraph, a carrier is released from the liability referred to in the preceding Article if it proves that any of the following facts were present or occurred and that the damage arising in connection with the goods is what would normally arise from this; provided,

however, that this does not apply if it is proved that the damage could have been avoided if the carrier had exercised the care referred to in the preceding Article, but that it did not do so:

- (i) an inherent danger at sea or in other navigable waters;
  - (ii) a natural disaster;
  - (iii) a war, riot, or insurrection;
  - (iv) an act of piracy or any other equivalent act;
  - (v) a judicial seizure, quarantine restrictions, or any other disposition based on public authority;
  - (vi) an act by the shipper, the owner of the goods, or a servant of one of them;
  - (vii) a strike, lockout, shutdown, or any other such labor dispute action;
  - (viii) an act of rescue at sea involving human life or property, a deviation from course for that purpose, or a deviation from course based on any other such justifiable grounds;
  - (ix) a special characteristic of or hidden defect in the goods;
  - (x) a deficiency in the goods' packaging or in the presentation of the goods' marks; and
  - (xi) hidden defects in a crane or any other equivalent equipment.
- (3) The provisions of the preceding paragraph do not preclude the application of Article 760 of the Commercial Code.

(Duty of Care for Seaworthiness)

Article 5 A carrier is liable for damages for loss of, damage to, or delay in delivery of the goods arising from the following things being insufficient at the time of the ship's departure; provided, however, that this does not apply if the carrier proves that it and its servant did not fail to exercise care with regard to those things at that time:

- (i) making the ship seaworthy;
- (ii) properly manning, equipping, and supplying the ship; and
- (iii) making the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe to receive, carry, and preserve the goods.

(Handling of Dangerous Goods)

Article 6 (1) Goods that have flammable, explosive, or other such dangerous properties of which the carrier, master, and carrier's agents were unaware at the time of loading may be discharged, destroyed, or rendered innocuous at any time.

(2) The provisions of the preceding paragraph do not preclude a carrier from filing a claim against a shipper for damages.

(3) Goods that have flammable, explosive, or other such dangerous properties of

which the carrier, master, or carrier's agent was aware at the time of loading may be discharged, destroyed, or rendered innocuous if there comes to be a risk of the goods harming the ship or the cargo.

- (4) A carrier is not liable for damages in connection with the goods as a result of the handling referred to in paragraph (1) or the preceding paragraph.

(Consignee's Obligation to Notify)

Article 7 (1) If goods are partially lost or damaged, the consignee or the holder of the bill of lading must issue a written notice to the carrier concerning the general nature of the loss or damage at the time of receipt; provided, however, that if the loss or damage is something that it is not possible to immediately discover, it is sufficient for the consignee or holder to issue that notice within three days from the date of receipt.

- (2) If the notice referred to in the preceding paragraph has not been issued, the goods are presumed to have been delivered without any loss or damage.
- (3) The provisions of the preceding two paragraphs do not apply if the condition of the goods is confirmed at the time of delivery in the presence of the parties.
- (4) If it is suspected that goods have been lost or damaged, the carrier and the consignee or the holder of the bill of lading must provide each other with the accommodations needed to inspect the goods.

(Amount of Compensation for Loss or Damage)

Article 8 (1) The amount of damages in connection with goods is determined by the market price of the goods (or by the quotations for them on an exchange, if applicable) at the place and time at which the goods should be discharged; provided, however, that if there is no market price, the amount of compensation is determined by the normal price of goods of the same kind and quality at that place and time.

- (2) The provisions of Article 576, paragraph (2) of the Commercial Code apply *mutatis mutandis* to the case referred to in the preceding paragraph.

(Liability Limits)

Article 9 (1) A carrier's liability for goods is limited to the larger of the following amounts:

- (i) the amount arrived at when the number of packages or units of goods that have been lost or damaged or that have arrived late is multiplied by 666.67 units of account; or
- (ii) the amount arrived at when the gross weight of the goods referred to in the preceding item is multiplied by two units of account, per kilogram.
- (2) The unit of account referred to in each item of the preceding paragraph is the last one publicized on the date on which the carrier pays the damages arising

in connection with the goods.

- (3) To apply the provisions of paragraph (1) when goods are carried using a container, pallet, or similar article of transport (hereinafter referred to as "article of transport" in this paragraph), the number of articles of transport is deemed to be the number of packages or units of the goods, unless the number of packages or units of the goods or the volume or weight of the goods is enumerated in a bill of lading or sea waybill.
- (4) If, pursuant to the provisions of Article 16, paragraph (3), a carrier's employee's liability arising in connection with the goods is reduced to the extent that the carrier's liability is reduced pursuant to the provisions of the preceding three paragraphs as applied mutatis mutandis pursuant to paragraph (1) of that Article, and the carrier's employee has paid compensation for the damage, the carrier's liability arising in connection with the goods under the preceding three paragraphs is further reduced by up to the amount of money that the carrier's employee has paid as compensation.
- (5) The provisions of the preceding paragraphs do not apply if the kind and value of the goods appear on the bill of lading, and if the shipper notifies a carrier of the kind and value of the goods and delivers the bill of lading when entrusting the carrier with their carriage.
- (6) In the case referred to in the preceding paragraph, if the shipper intentionally notifies the carrier of a value that is significantly higher than the real value of the goods, the carrier is not liable for damages arising in connection with the goods.
- (7) In the case referred to in paragraph (5), if the shipper intentionally notifies the carrier of a value that is significantly lower than the real value of the goods, the value of which the shipper has notified the carrier is deemed to be the value of the goods as it concerns damage arising in connection with the goods.
- (8) The provisions of the preceding two paragraphs do not apply if the carrier has knowledge of the real value of the goods.

(Special Provisions on the Amount of Compensation and Liability Limits)

Article 10 Notwithstanding the provisions of Article 8 and paragraphs (1) through (4) of the preceding Article, if the damage arising in connection with the goods is something that the carrier caused intentionally or if it is due to a reckless act that the carrier took with the knowledge that damage could result, the carrier is liable to provide compensation for all damage.

(Prohibition of Special Agreements)

Article 11 (1) Any special agreement that is incompatible with the provisions of Articles 3 through 5 or Article 7 through the preceding Article of this Act or the provisions of Article 585, 759, or 760 of the Commercial Code, and

disadvantageous to a shipper, consignee, or the holder of a bill of lading is void. The same applies to a contract that transfers rights arising under an insurance policy for goods to a carrier, or any similar contract.

- (2) The provisions of the preceding paragraph do not preclude the conclusion of a special agreement that is disadvantageous to a carrier. In such a case, the shipper may demand that the special agreement appear on the bill of lading.
- (3) The provisions of paragraph (1) do not apply to damage arising from a fact that occurs or is present before the loading or after the discharge of the goods.
- (4) If a special agreement referred to in paragraph (1) has been made with regard to the damage referred to in the preceding paragraph but that agreement does not appear on the bill of lading, the carrier may not assert the agreement against the holder of the bill of lading.

(Special Provisions on the Prohibition of Special Agreements)

Article 12 The provisions of paragraph (1) of the preceding Article do not apply if all or part of a ship is the subject matter of a contract of carriage; provided, however, that this does not apply as it concerns the relationship between a carrier and the holder of a bill of lading.

Article 13 The provisions of the preceding Article apply *mutatis mutandis* to carriage of goods in connection with which it is found to be appropriate to release the carrier from liability for the goods or to reduce the carrier's liability for the goods, due to the special nature or condition of the goods or the special circumstances under which the goods are carried.

Article 14 (1) The provisions of Article 11, paragraph (1) do not apply to carriage of live animals or carriage of goods loaded on the deck.

- (2) If a special agreement referred to in Article 11, paragraph (1) has been made with regard to the carriage referred to in the preceding paragraph but that agreement does not appear on the bill of lading, the carrier may not assert that agreement against the holder of the bill of lading. The same applies to carriage of goods loaded on the deck if this does not appear on the bill of lading.

(Application of the Commercial Code)

Article 15 Except for the provisions of Article 575 of the Commercial Code and of Article 576, Article 584, Article 587, Article 588, Article 739, paragraph (1) (including as applied *mutatis mutandis* pursuant to Article 756, paragraph (1) of that Code) and paragraph (2), Article 756, paragraph (2), and Article 769 of that Code, the provisions of Part II, Chapter VIII, Section 2, and Part III, Chapter III of the Commercial Code apply to the carriage of goods referred to in Article 1.

(Tort Liability of Carriers)

- Article 16 (1) The provisions of Article 3, paragraph (2), Article 6, paragraph (4), and Articles 8 through 10 of this Act and Articles 577 and 585 of the Commercial Code apply mutatis mutandis to the liability of a carrier toward a shipper, consignee, or the holder of a bill of lading to compensate for damage in tort arising in connection with goods. In such a case, the term "the preceding paragraph" in Article 3, paragraph (2) is deemed to be replaced with "the main clause of Article 715, paragraph (1) of the Civil Code (Act No. 89 of 1896) and Article 690 of the Commercial Code (including cases in which the ship lessee is deemed to have the same rights and obligations as the shipowner pursuant to the provisions of Article 703, paragraph (1) of the Commercial Code)".
- (2) The provisions of the preceding paragraph do not apply to the liability of a carrier toward a consignee if the carrier undertakes carriage of goods from a shipper, notwithstanding that the consignee has previously refused to allow the goods to be carried based on the shipper's entrustment to another person.
- (3) If a carrier is granted release from or reduction of liability arising in connection with goods pursuant to the provisions of paragraph (1), the carrier's employee is also granted release from or reduction of the liability that employee has to the shipper, consignee, or holder of the bill of lading to compensate for damage in tort arising in connection with the goods, to the extent of the release from or reduction of the carrier's liability.
- (4) If the carrier's liability arising in connection with goods is reduced pursuant to Article 9, paragraphs (1) through (3) (including as applied mutatis mutandis pursuant to paragraph (1) of this Article), the provisions of Article 9, paragraph (4) apply mutatis mutandis to the liability of a carrier's employee that arises in connection with goods when the carrier has provided compensation for the damage.
- (5) The provisions of the preceding two paragraphs do not apply if the damage arising in connection with the goods is something that the carrier's employee caused intentionally or if it is due to a reckless action the carrier's employee took with the knowledge that damage could result.

(Carriage of Postal Items)

Article 17 This Act does not apply to carriage of postal items.

**Supplementary Provisions**

- (1) This Act comes into effect on the date on which the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading signed in Brussels on August 25, 1924, takes effect in Japan.

(Effective date: January 1, 1958)

- (2) This Act does not apply to a contract of carriage concluded before this Act comes into effect.

**Supplementary Provisions [Act No. 94 of December 27, 1975 Extract]  
[Extract]**

(Effective date)

- (1) This Act comes into effect on the date on which the International Convention relating to the Limitation of the Liability of Owners of Sea-going Ships takes effect in Japan.

(Effective date: September 1, 1976)

- (2) This Act does not apply to claims based on the damage arising from an accident that has occurred before this Act comes into effect, and prior laws continue to govern claims arising before this Act comes into effect and claims based on damage that arises after this Act comes into effect from an accident that has occurred before this Act comes into effect.

**Supplementary Provisions [Act No. 69 of June 3, 1992]**

- (1) This Act comes into effect on the date on which the Protocol Amending the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, August 25, 1924, as amended by the Protocol of February 23, 1968, takes effect in Japan.

(Effective date: June 1, 1993)

- (2) Prior laws continue to govern contracts of carriage concluded before this Act comes into effect and the liability of carriers and their servants to compensate for damage in tort arising in connection with goods under those contracts of carriage.

**Supplementary Provisions [Act No. 29 of May 25, 2018 Extract] [Extract]**

(Effective date)

- Article 1 This Act comes into effect on the day specified by Cabinet Order within a period not exceeding one year from the date of promulgation; provided, however, that the provisions of Articles 50 and 52 of the Supplementary Provisions come into effect on the date of promulgation.

(Transitional Measures Concerning Statutory Liens on Ships)

Article 16 Prior laws continue to govern the effects and order of priority of the statutory liens referred to in Article 842 of the former Commercial Code or the statutory liens referred to in Article 19, paragraph (1) of the Act on International Carriage of Goods by Sea prior to amendment by Article 2 in cases in which the compulsory realization procedure prescribed in Article 2, item (xii) of the National Tax Collection Act (Act No. 147 of 1959), rehabilitation proceedings, reorganization proceedings, or special liquidation proceedings commence before the effective date with regard to ships (including ships under construction) and their equipment, and freight charges yet to be received.

(Delegation to Cabinet Order)

Article 52 Beyond what is provided for in these Supplementary Provisions, Cabinet Order prescribes necessary transitional measures relevant to this Act's entry into force.